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SIPDIS

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SUBJECT: SLOVAKIA: FICO YIELDS TO ONCOMING TRUCKERS

REF: A. 09 BRATISLAVA 535  
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[1](#)1. (SBU) SUMMARY: Although protests by Slovak truckers against the new electronic toll system appeared to have fizzled by the end of last week, the issue regained steam over the weekend as truckers instituted partial blockades of several major roads, and it became clear that public opinion was widely sympathetic to their complaints. Seeking to defuse what had become perhaps the broadest demonstration of popular dissatisfaction of his administration, Prime Minister Robert Fico suddenly reversed course on Tuesday, meeting several key trucker demands, including a dramatic reduction of the excise tax on diesel--an enormously valuable concession on an issue not directly related to the toll system. Immediately after caving in to the truckers, Fico delivered a strong condemnation of their protest, in what many saw as an effort to blunt charges of weak leadership. Fico also sought to make the best of his losing hand by shrewdly linking a proposal for the elimination of two ministries that had met strong opposition within government to the popular excise tax reduction in order to increase its chance of success. Although opposition parties have stepped up criticism of Fico's handling of the situation, truckers seem happy with the result and unlikely to provoke further confrontation. END SUMMARY.

#### TRUCKER PROTEST BECOMES A POLITICAL CRISIS

[1](#)2. (U) For the most part, the threatened January 4 trucker blockade of gas stations (ref a) failed to take place. A number of station owners had made clear the previous weekend that they would not hesitate to call the police in the event that trucks were used to block access to gas pumps, and this appears to have dissuaded truckers from following through on their threats. There was considerable congestion and long delays throughout the week at several highway border crossings, but these resulted from long lines of trucks who had waited until the last minute to install the on-board transponders required by the new toll system, and not from any organized protest.

[1](#)3. (U) After Fico continued to refuse to negotiate over the course of the week, however, truckers began to mobilize and converge on several of the largest Slovak cities, intending to blockade several of the "1st Class" roads (i.e., main roads that are not part of the highway system) which were newly added to the toll system this year. On the outskirts of Bratislava, police stopped and effectively impounded many trucks on a pretense in an effort to prevent them from joining the growing protest--this move drew sharp criticism as an abuse of police powers, with opposition leader Mikulas Dzurinda likening it to

police actions during the Communist era.

14. (U) By Monday, the protests dominated domestic news, even pushing aside the infamous explosives scandal (ref b) that had been widely reported in the international media. Several major roads were partially blockaded, snarling traffic in Bratislava and several other cities. One trucker dumped a load of manure directly in front of the Cabinet Office (he claimed his hydraulics had a sudden failure). Adding to the sense of an embattled Fico, numerous media reports depicted the Slovak public as being largely sympathetic to the truckers.

#### FICO CAVES IN, THEN GOES ON THE ATTACK

15. (SBU) Once the protests developed into a political crisis, Fico acted quickly and decisively. Reversing course, he accepted two demands he and Transport Minister Lubomir Vazny had previously refused--delaying toll collection on 1st Class roads for a month and promising to "fix" a poorly thought-out aspect of the system that would heavily penalize delivery trucks that frequently get on and off the toll roads. Fico also took the completely unexpected step of reducing the excise tax on diesel by nine euro cents per liter (which will reduce the cost of diesel by about 10 cents, since VAT is assessed on top of the excise tax).

16. (SBU) Asserting that the tax cut would reduce government revenues by 100 million euros--a tidy sum that would raise this year's projected budget deficit from 5.8% to 6.0% of GDP--Fico declared that it would be partly offset from savings realized from eliminating the Environment and Construction ministries (the former would be merged with the Agriculture Ministry; the latter with the Ministry of Economy). The consolidation of these ministries has long been planned--a Finance Ministry official briefed a group of diplomats about it several months ago--but it had lately drawn strong opposition from within the

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government as Fico prepared for a public announcement.

17. (U) Immediately after announcing his sudden change of heart, Fico held a televised press conference together with President Ivan Gasparovic and Parliamentary Speaker Pavol Paska, where he lambasted the trucker protests for pushing the country along the "road to hell" in a way that "dangerously undermines democracy." He blamed opposition parties and the media for causing the protests, charging that they had incited illegal activity. The next day, local media ran pictures of Fico as a young opposition MP, supporting a 2003 strike by railway workers that blocked border crossings and major traffic intersections.

#### COMMENT

18. (SBU) Fico clearly did not anticipate that the toll system would precipitate such a strong reaction. His government had secured the support of large trucking companies, in part by awarding their trade association an enormously lucrative contract to install toll transponders in trucks. The controversy exposed and deepened a split between large and medium-sized trucking companies, the latter of which felt sidelined and exploited. These smaller companies led the protests, which appeared to shock Fico, who views truckers as a loyal and important constituency. The toll controversy was buoyed by the recent explosives fiasco, which many Slovaks considered to be a deep embarrassment to Slovakia, and it is likely that Fico acted so quickly in part because the back-to-back controversies threatened to damage his reputation as a strong and competent leader. Fico's subsequent denunciation of the truckers (and also his political opponents) was an effort to maintain his image of strength; he clearly calculated that the truckers would ignore his comments since he'd given them what they wanted.

19. (SBU) For the time being, it appears that Fico has resolved

his political crisis. Opposition efforts to recall Minister Vazny and Interior Minister Robert Kalinak (who has been heavily criticized for both the trucker protests and the explosives incident) will fail, and attention will soon shift to other issues. But the first widespread public protests of his administration certainly drew blood and dented his image as a Teflon politician, although it is very much an open question whether opposition parties will be able to capitalize on this. Fico remains in a dominant position heading into this June's parliamentary elections, but that could start to change with a few more weeks like the last two.

EDDINS